DOCUMENT RESUME

ED 464 578 HE 034 923

TITLE	Tracking Public Funding for Higher Education More Vital as State Budgets Become Strained. "Fact Book" Bulletin: Reporting Significant Trends Affecting Higher Education in the SREB States.
INSTITUTION	Southern Regional Education Board, Atlanta, GA.
PUB DATE	2002-04-00
NOTE	7p.; For the "Fact Book on Higher Education, 2000-2001," see ED 454 782.
PUB TYPE	Numerical/Quantitative Data (110) -- Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Benchmarking; *Budgeting; Educational Trends; *Financial Support; *Higher Education; *State Aid; Trend Analysis
IDENTIFIERS	*Southern Regional Education Board

ABSTRACT

This Bulletin focuses on comparing and tracking funding levels for higher education and serves as a complement to the "Fact Book on Higher Education" published by the Southern Regional Education Board (SREB). When appropriations for higher education were adjusted for inflation, they decreased in 23 states between the 2000-2001 and 2001-2002 budget years. Of these 23 states, 10 were SREB states. Six SREB states did increase their inflation-adjusted spending on higher education. In every 5-year period since 1986-1987, appropriations for higher education in the SREB region increased more than the national average, or decreased less. However, the setbacks in so many SREB states may jeopardize the region's aspirations to continue improving its national standing in funding colleges, universities, and technical institutes. The new data gathered by the SREB related to higher education provide baseline benchmarks that make it possible to improve the tracking of trends in the years ahead. (SLD)

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Fact Book Bulletin

REPORTING SIGNIFICANT TRENDS AFFECTING HIGHER EDUCATION IN THE SREB STATES

SREB

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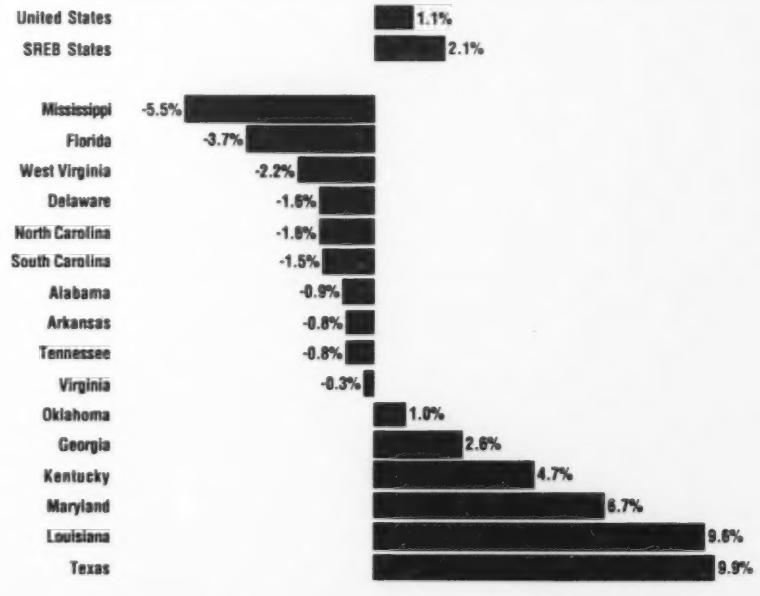
Tracking Public Funding for Higher Education More Vital as State Budgets Become Strained

When appropriations for higher education were adjusted for inflation, they decreased in 23 states between the 2000-2001 and 2001-2002 budget years. Of those 23 states, 10 were SREB states — a dubious distinction. Six SREB states (Georgia, Kentucky, Louisiana, Maryland, Oklahoma and Texas) did increase their inflation-adjusted spending on higher education. The increases in these states (especially the region-leading 9.9 percent increase in Texas) pushed the region's average increase to 2.1 percent — almost double the national average increase of 1.1 percent.

In every five-year period since 1986-1987, appropriations for higher education for the SREB region either increased more than the national average or decreased less. However, the setbacks in so many SREB states may jeopardize the region's aspirations to continue improving its national standing in funding colleges, universities and technical institutes.

Changes in State Appropriations for Higher Education, 2000-01 to 2001-02
(adjusted for inflation)



Source: Jim Palmer, Grapevine, Illinois State University

April 2002

Southern Regional Education Board

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Appropriations of State Tax Funds for Operating Expenses Related to Higher Education[1]

(updates Table 69, *SREB Fact Book on Higher Education 2000/2001)*

	Appropriations (in thousands), 2001-02	Inflation-Adjusted Percent Change[2]				
		2000-01 to 2001-02	1996-97 to 2001-02	1991-92 to 1996-97	1986-87 to 1991-92	1981-82 to 1986-87
United States	$63,647,105	1.1	15.3	-0.2	-2.7	9.5
SREB states	23,051,872	2.1	18.0	6.3	-1.4	4.9
SREB states as a percentage of nation	36.2					
Alabama	$1,116,129	-0.9	-2.3	1.0	2.1	30.4
Arkansas	653,386	-0.8	16.6	5.9	11.6	14.2
Delaware	189,228	-1.6	7.4	5.4	-1.5	4.2
Florida	2,822,083	-3.7	17.9	20.0	-11.0	23.8
Georgia	1,699,438	2.6	10.0	28.0	-3.5	11.2
Kentucky	1,084,605	4.7	29.4	-5.1	9.8	5.0
Louisiana	997,813	9.6	30.2	-5.8	-7.0	-14.7
Maryland	1,297,406	6.7	28.6	2.0	-1.0	14.7
Mississippi	805,964	-5.5	1.5	55.5	-10.8	-15.7
North Carolina	2,442,690	-1.6	11.2	10.0	-2.8	20.0
Oklahoma	824,891	1.0	12.7	-2.3	11.4	-8.5
South Carolina	896,773	-1.5	8.2	-1.6	-4.6	8.5
Tennessee	1,073,136	-0.8	-3.2	18.1	-12.8	30.1
Texas	5,074,633	9.9	34.7	-3.3	13.1	-20.0
Virginia	1,681,646	-0.3	32.2	-4.4	-15.9	28.8
West Virginia	392,051	-2.2	-2.9	2.8	-7.4	-2.3

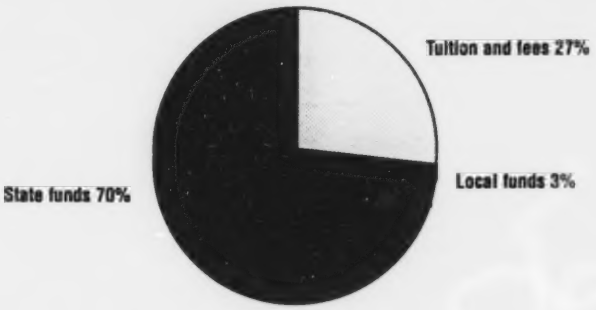
1 State appropriations exclude dollars for capital construction and debt payments. Also excluded are funds from sources other than state tax funds, including all funds from federal sources, local sources, and student tuition and fees. The amounts include funds for medical and health programs, state-level financial-aid programs for students, state funds for private colleges and universities, and state funds for coordinating or governing boards of public colleges and universities.

2 Adjusted for inflation using estimated updates to the Higher Education Price Index.

Sources: Jim Palmer and Edward R. Hines: Grapevine; "Appropriations of State Tax Funds for Operating Expenses of Higher Education" (www.coe.ilstu.edu/grapevine/); and unpublished revisions.

D. Kent Halstead, *Inflation Measures for Colleges, Schools and Libraries, 1998* (Washington, D.C.: Research Associates of Washington, 1998).

Sources of Public Funding for Operating Expenses Related to Higher Education, 2000-01



Source: SREB State Data Exchange

SREB is in the best position ever to help states compare and track funding levels for higher education. In 2001, for the first time, SREB reported in detail on total public funding for operations related to higher education. SREB also explained how states' funding for higher education is dispersed among different purposes and types of institutions.

"Public funds" for operating expenses related to higher education come from several sources: state and local tax revenues; earnings from state-funded endowments; earmarked revenues, such as from lotteries or from leases on natural-resource extraction rights; and revenues from tuition and fees. In the SREB region, state appropriations make up 70 percent of public funds. Tuition revenues and local appropriations make up the other 30 percent.

Eighty-five percent of public funding for operating expenses related to higher education in 2001 went to public colleges, universities and technical institutes for instruction, research and public service. (See table on next page.) General-purpose funds to public campuses accounted for 78 percent of public funding. Four percent of the funding went toward educational special-purpose funds to public campuses or to statewide units for community/public service, noncredit continuing education, agricultural cooperative extension and experiment stations, engineering experiment stations, and research centers or institutes. Another 3 percent went to special-purpose campuses (other than health professions) and miscellaneous items.

The other 15 percent of public funding included 9.7 percent for health professions education for dentistry, medicine and veterinary medicine; 4 percent for statewide financial-aid programs for students; 0.9 percent for system operations; and 0.6 percent for direct support to private colleges and contract education programs.

A key indicator to watch through the tight budget times ahead will be the funding per full-time-equivalent (FTE) student for instruction, research and public service. Total public funding per FTE in the SREB states for the 2000-2001 academic year was $8,826. State general-purpose funds per FTE accounted for $5,124. State educational special-purpose funds accounted for $722. Local appropriations accounted for $289, and tuition and fees accounted for $2,692.

SREB's new data on public funding for operating expenses related to higher education provide baseline benchmarks that make it possible to improve the tracking of trends in the years ahead.

Distribution of Public Funds[1] for Operating Expenses Related to Higher Education, 2000-01

		SREB states[2]	AL	AR	DE	FL	GA	KY	LA	MD	MS	NC	OK	SC	TN	TX	VA	WV
Funds for instruction, research and public service (85%)	**General-purpose funds to public campuses**	78%	79%	77%	96%	82%	74%	78%	73%	77%	74%	77%	79%	71%	82%	77%	82%	76%
	Educational special-purpose funds to public campuses	3	4	*	1	3	4	6	*	3	6	3	4	2	3	2	3	5
	Educational special-purpose funds to statewide units	1	*	7	*	*	1	*	1	*	2	4	*	2	*	3	1	1
	Funds to special purpose institutions other than health professions education	1	*	*	*	*	1	*	*	6	*	1	*	*	*	*	1	*
	Educational special-purpose funds — all other	2	1	*	*	1	7	1	6	*	1	2	3	7	1	*	3	*
Other special-purpose funds and funds for health professions education (15%)	**System operations**	0.9	*	1	2	*	1	2	1	1	1	2	*	*	1	1	*	1
	Support to private colleges other than student financial-aid and contract education programs	0.6	*	*	1	1	*	*	*	2	*	*	*	*	*	1	*	*
	Statewide programs for student financial aid administered off campus	4	1	5	1	8	8	5	7	3	2	3	2	5	2	2	5	3
	Health professions education funds to public campuses and statewide units	9.7	14	10	*	5	5	7	12	8	15	8	11	13	11	15	4	15
	Total[3]	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

* Indicates less than 1 percent.

1 Public funds come from several sources: state and local tax revenues; earnings from state-funded endowments; earmarked revenues, such as from lotteries or from leases on natural-resource extraction rights; and revenues from tuition and fees.

2 The averages for the SREB states must be interpreted with caution because the numbers of states with each type of funding vary.

3 May not equal the sums of the columns or rows because of rounding.

Source: SREB-State Data Exchange.

Public Funds[1] for Instruction, Research and Public Service in Colleges, Universities and Technical Institutes, 2000-01

	Per FTE Student					Rank Among SREB States				
	State General-Purpose	State Educational Special Purpose	Local	Tuition and Fees	Total[2]	State General-Purpose	State Educational Special Purpose	Local	Tuition and Fees	Total
SREB states[3]	$5,124	$722	$289	$2,692	$8,826					
Alabama	4,389	546	11	3,372	8,318	13	13	7	5	11
Arkansas	5,456	771		2,656	8,883	7	7	9	10	7
Delaware	5,779	183		7,753	13,715	2	16	9	1	1
Florida	5,594	458		2,014	8,066	5	14	9	15	15
Georgia	6,414	1,322		2,283	10,019	1	1	9	13	4
Kentucky	5,684	862		3,576	10,122	4	5	9	4	3
Louisiana	3,695	600		2,751	7,046	16	11	9	8	16
Maryland	5,696	773	1,594	5,276	13,339	3	6	1	2	2
Mississippi	5,218	951	336	2,691	9,196	9	4	4	9	6
North Carolina	5,562	969	381	1,401	8,313	6	3	3	16	12
Oklahoma	5,013	671	233	2,275	8,192	11	9	6	14	13
South Carolina	4,305	1,049	239	2,485	8,078	14	2	5	11	14
Tennessee	5,090	385		3,241	8,715	10	15	9	7	8
Texas	4,643	613	684	2,404	8,343	12	10	2	12	10
Virginia	5,332	765	6	3,315	9,418	8	8	8	6	5
West Virginia	4,276	590		3,641	8,507	15	12	9	3	9

1 Public funds come from several sources: state and local tax revenues; earnings from state-funded endowments; earmarked revenues, such as from lotteries or from leases on natural-resource extraction rights; and revenues from tuition and fees.

2 May not equal the sums of the rows because of rounding.

3 The averages for the SREB states must be interpreted with caution because the numbers of states with each type of funding vary.

Source: SREB-State Data Exchange.

For further information about this bulletin or the *SREB Fact Book* contact Joe Marks at the Southern Regional Education Board, 592 10th St. N.W., Atlanta, GA 30318-5790, (404) 875-9211.

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